



## AdvanceTrack, GDPR and your practice

AdvanceTrack's Vipul Sheth on how its clients won't notice any change after the 25 May deadline

"We're not blasé about GDPR," says AdvanceTrack founder and MD Vipul Sheth. "Without our own compliance it's difficult for firms to work with us."

AdvanceTrack has agreed with its ISO auditor (checking compliance with best practice Information Security Standard ISO 27001) the plan for compliance.

For Sheth, one of the key head-scratching moments came when considering the data received by its accountancy clients, which includes a mix of data. "When we get information from a firm of accountants, it includes personally and non-personally identifiable data... so what do you do to secure it?" he says.

Rather than try and split the information apart, AdvanceTrack will be encrypting everything in its database. "It's the only way for us all to be satisfied; AdvanceTrack and our clients," says Sheth.

The customers won't notice anything, Sheth adds. AdvanceTrack has rebuilt its platform to ensure best practice data management and processing.

"We describe it as being like a jar full of cookies, which we put barbed wire around," he says. "But get through that and the cookies won't taste like cookies. It's about the security around the data, but importantly also the data itself."

## Webinars, webinars everywhere!



AdvanceTrack's latest webinar, 'How technology can help you deliver a cost-effective bookkeeping service', took place on 21 May, just as we went to press with this newsletter. Visit [AdvanceTrack.com/webinars](http://AdvanceTrack.com/webinars) to view an archived version of the show. Our MD Vipul Sheth also spoke to AutoEntry's Tom Port about bookkeeping and the future for practices in relation to MTD and other developments.

Another recent webinar, 'How to actually get marketing DONE in your firm', is also available to watch. Vipul, along with The Profitable Firm's Karen Reyburn, run through the processes that let firms down; four steps the best firms follow; creating an achievable plan; identifying and agreeing priorities; and outsourcing vs insourcing.

We're delighted to now have **five** webinars up and running for you to easily view. The other three are:

- 'UK accounting professionals, what should you be outsourcing?'
- 'Do you have the balls to be a business adviser?'
- 'Aligning the process and tech steps to deliver more advisory work'

Visit [AdvanceTrack.com/webinars](http://AdvanceTrack.com/webinars) to view them all.

### Conference news

Next month's newsletter will contain more detail about our exciting second annual conference, this time entitled Building Higher Value. With speakers including Gordon Gilchrist, Karen Reyburn, Sam Horner and Paul Shrimpling, there will be plenty to feed back.



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# Up to date

Panicking about your practice failing to meet the GDPR deadline sounds serious, but if you stop clock-watching and take some simple steps, you'll keep out of the regulator's bad books

Last month [we spoke to two practitioners](#) about their efforts to get to grips with GDPR. Now, with the 25 May 'deadline' upon us, we cover the accounting experts' take on how you can achieve compliance.

In this issue, we round up the wealth of material provided by the UK's two largest accounting Institutes, the ACCA and ICAEW, and speak to Amanda Watts about GDPR from a marketing perspective – dispelling myths about sending those dreaded 're-subscribe' emails.

AdvanceTrack MD Vipul Sheth talks about the work being undertaken to ensure GDPR compliance (see page 4).



## ACCA

Let's start at the beginning: what are the key aspects of GDPR that will likely impact an accounting practice? The ACCA's 'How to Prepare' two-part document outlines common actions that practitioners should be taking, along with a discussion about the most common GDPR concepts.

We'll focus on the first part.

The Institute states that GDPR "is not a departure" from current data protection rules in the UK, but more of an "expansion".

GDPR is about the management and protection of personal data. It applies to controllers and processors of such data:

- a controller is a person who decides how and why personal data is processed.
- a processor is a person acting on a controller's behalf. GDPR introduced new requirements in relation to processors. Processors have to maintain data processing records, document under which lawful basis they process data and inform data controller in case of a breach.

Accountants, suggests the ACCA, are 'usually' data controllers. There are several key areas where accountants collate personal data, store it and share it. This will include marketing campaigns; details being left with the firm by prospective clients; engagement letters; setting up standing orders; carrying out anti-money laundering checks; involving a third party to carry out money laundering checks; and submitting tax returns.

The controllers will have to demonstrate internal policies and controls in place and applied consistently. This will include documentary evidence kept and made available to the Information Commissioner's Office (ICO) and regulators when required.

## Action points

While the ICO has created a '12 steps to prepare' overview guidance, the ACCA created a list of what it believes will be most relevant to practitioners.

First, 'awareness'. Undertake training for yourself and staff – and be prepared to repeat this every two years and document your actions.

Second, plan an internal data audit. This is about reviewing and documenting what information is held, where it's held, where it came from, how it was obtained and whether it's up-to-date and correct.

Consent to process the data is required, and must be in a GDPR-



compliant format. Consent should be reiterated where documentary evidence doesn't exist.

Examples of the types of detail that need to be documented to demonstrate your compliance are provided by the ACCA. This includes policies followed to ensure data processing is lawful; policies on how data is stored, used and protected (in a GDPR compliant manner); policies relating to the management of privacy; subjects' access request response procedures (referring to the new 30-day deadline to respond to someone regarding their data); procedure to detect, investigate and act on data breaches; how to manage data in times of organisation change; vetting third-party data processors; and IT security maintenance procedures.

## ICAEW

The ICAEW has, like the ACCA, pulled together a fantastic resource of material for the accounting community, including [sample wordings for engagement letters](#) and [GDPR checklists](#). Another of these resources is [an FAQ](#), based on a whopping 94 questions received by the Institute during its 'GDPR: You Questions Answered' webinar on 23 January 2018. The answers were provided by the Institute's Jane Berney and Mark Taylor.

**Question:** Would all email need to be encrypted when sent from a firm to its clients when it concerns services provided ie. an email asking for some information for a tax return?



**Answer from ICAEW (abridged):** The GDPR advocates a risk-based approach when considering security and privacy... encryption is not mandated but can be viewed as part of the overall security system... consider encrypting any attachments before sending an email. Many compression tools have encryption features. Similarly files shared using portal like software or on-line file sharing services should also be encrypted before being shared.

**Q:** We have users who store years' worth of emails in their inbox. This very likely includes personal information on ex-clients or even potential clients that never became clients. Should we be going through these and deleting?

**A:** We would recommend deletion as best practice as you should only retain data (in whatever form) for as long as necessary. We would also recommend that you set a policy for the retention of emails.

**Q:** Should new engagement letters be issued to all (existing and new) clients?

**A:** Post-25 May 2018 engagement letters should refer to the GDPR as the applicable legislation (and the new DPA 2018 once it comes into force) not the DPA 1998 and explain how you will be complying with them. This could be sent, however, as an addendum to an existing letter once the GDPR and DPA 2018 come into force.

**Q:** Is the cloud a problem if server not in EU/EEA?

**A:** Yes – the cloud provider will still need to comply with the GDPR if processing the personal data of EU data subjects.

• For more visit [ICAEW.com/GDPR](#)

## Marketing lists... don't panic!

A key area of focus, stress and confusion for accountants has been in an area that can be difficult to manage at the best of times: their marketing contact lists.

For Amanda Watts, an accountancy marketing coach, there's no point panicking about a lack of plan and potential non-compliance. "It's too late!" she says. What the regulators will want to see is that you've at least begun the planning process. But where to start? First, Watts suggests practitioners approach their third-party services providers who will hold or process details of their clients – and ask them for their GDPR and compliance details. These will need to be kept on file.

On the marketing lists, a key concern has been about getting everyone to 'opt back in' to receiving your material. However, "that's not going to work because if someone has signed up to your newsletter already then they're [likely to be] GDPR compliant anyway".

Problems will occur where practitioners have acquired or leased data lists. See the main article for some guidance.

As for being fined, Watts believes that e-marketing third party providers will be more concerned about who you're targeting. In other words, if they receive lots of bounce-back emails from your lists, they may say 'stop sending rubbish on our platform'. "It's not about the multi-million pound fines... it's the platforms that will stop it," Watts says. "So stop the rubbish going out to the audience. Quality will have to go up, and so business will fly."

For privacy communication and GDPR compliance notices, the ACCA suggests accountants consider updating engagement letters and creating personal data consent/opt-in forms. Other issues referred to above, such as subjects' access rights and data breaches may require you to create draft templates. Also, attain and retain documentary evidence of third-party providers' efforts to be GDPR compliant.

Lastly, the ACCA says practices must assess and understand their IT security. This will include consideration of passwords, data back-up, secure networks and encryption. Privacy notices will also be required in communication footers such as marketing emails and website landing pages.

The ACCA also has a series of [GDPR-focused webinars you can view](#).



**Kevin Reed** is a freelance journalist and former editor of *Accountancy Age*

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